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August 17, 2005

APPLICATION

6490-64239

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P.O. Box 94275
Baton Rouge, Louisiana 70804

Re: Cibicides Carstensi Zone, Reservoir A
Textularia W Zone, Reservoir A
South Chauvin Field
Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY ONSHORE, LLC** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the **Cibicides Carstensi Zone, Reservoir A**, and the **Textularia W Zone, Reservoir A** in the **South Chauvin Field**, Terrebonne Parish, Louisiana, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for each reservoir for the exploration for and production of gas and condensate, such units to be designated Cib C RA SUA and Tex W RA SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units, with each tract sharing in unit production on a surface acreage basis of participation;
3. To designate a unit well for each of the proposed units;

4. To designate Denbury Onshore, LLC as the unit operator for each of the proposed units;
5. To provide that any future wells drilled to the Cibicides Carstensi Zone, Reservoir A and the Textularia W Zone, Reservoir A within or outside of the proposed units should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoirs, by supplemental order without the necessity of a public hearing, if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner; and
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cibicides Carstensi Zone, Reservoir A, in the South Chauvin Field, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 9,686 feet and 11,654 feet, electrical log measurements (9,638 feet and 11,606 feet, TVD) in the Denbury Onshore, LLC – LaTerre No. C-7 Well Sidetrack, located in Sections 66 and 67, Township 18 South, Range 18 East, Terrebonne Parish, Louisiana.

The Textularia W Zone, Reservoir A, in the South Chauvin Field, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 12,748 feet and 13,892 feet, electrical log measurements (12,681 feet and 13,746 feet, TVD) in the Denbury Onshore, LLC – LaTerre No. C-7 Well Sidetrack, located in Sections 66 and 67, Township 18 South, Range 18 East, Terrebonne Parish, Louisiana.

No conference to discuss the proposed application was held, as none was requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

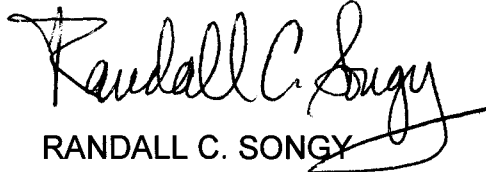
Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting **E. Holmes Smart, 200 Audubon Blvd., Lafayette, Louisiana (337)232-4031**.

There is attached hereto and made a part hereof plats outlining the proposed units and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was

made to ascertain the names and addressed of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$1,510.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Sincerely,



RANDALL C. SONGY

RCS/elg/bad

Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation

All Interested Owners, Interested Parties and
Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed unit.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

